

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 900

Introduced by Committee on Governmental Organization (Jerome Horton (Chair), Strickland (Vice Chair), Calderon, Canciamilla, Chavez, Cohn, Corbett, Firebaugh, Frommer, Harman, Levine, Longville, Maddox, McCarthy, Negrete McLeod, Nunez, Oropeza, Wiggins, and Yee)

February 20, 2003

An act to *amend Section 19617 of, and to add and repeal Section 19441.5 of, the Business and Professions Code, relating to horse racing.*

LEGISLATIVE COUNSEL'S DIGEST

AB 900, as amended, Committee on Governmental Organization. Horse racing.

Existing law requires the California Horse Racing Board to make an annual report to the Governor and the Legislature of its proceedings and the state of the business of horse racing in the preceding fiscal year, including, among other things, a tabulation of injuries, fatalities, and accident rates and an evaluation of specified worker safety improvements.

This bill would require the board, prior to January 1, 2005, to prepare a study and submit a report to the Governor and the Legislature on the current and future status of the California horse racing industry.

Existing law provides for the distribution of the proceeds of wagering on horse races. In particular, existing law requires the distribution of certain funds to stallion owners and breeders of California-bred thoroughbred horses, as specified. Under these provisions, eligible

earnings of horses in qualifying races determine the amounts of breeder and stallion awards distributed. Under existing law, for purposes of breeder and stallion awards, qualifying races are defined to include certain types of races, including graded stakes races conducted within the United States.

This bill would add to those qualifying races other stakes races as designated by the official registering agency, the California Thoroughbred Breeders Association.

Existing law provides that eligible earnings for purposes of thoroughbred stallion awards are those earned by California-bred and California-conceived foals of an eligible thoroughbred stallion in winning qualifying races plus the amount earned by those foals for finishing 2nd or 3rd in a stakes race in this state and for finishing first, 2nd, or 3rd in a graded stakes race within the United States.

This bill would add to those eligible earnings the amount earned by these foals for finishing first, 2nd, or 3rd in other stakes races as designated by that same official registering agency.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19441.5 is added to the Business and
2 Professions Code, to read:

3 19441.5. (a) The board, prior to January 1, 2005, shall
4 prepare a study and submit a report to the Governor and the
5 Legislature on the current and future status of the California horse
6 racing industry.

7 (b) This section shall remain in effect only until January 1,
8 2005, and as of that date is repealed, unless a later enacted statute,
9 that is enacted before January 1, 2005, deletes or extends that date.

10 SEC. 2. Section 19617 of the Business and Professions Code
11 is amended to read:

12 19617. The following definitions shall govern the
13 construction of this section:

14 (a) "Breeder" means a person who is registered as a breeder of
15 a California-bred thoroughbred with the official registering
16 agency and is named on the applicable Certificate of Registration
17 issued by the Jockey Club of New York.

18 (b) "Qualifying race" means the following:



1 (1) In the case of breeder awards, all races in this state, ~~and~~ all
2 graded stakes races conducted within the United States, *and other*
3 *stakes races as designated by the official registering agency.*

4 (2) As qualified by paragraph (5), in the case of owner
5 premiums, certain claiming races, as defined by paragraph (4), and
6 all allowance races, including maiden special weights. No owner
7 premiums shall be paid on California-bred restricted races
8 pursuant to Section 19568.

9 (3) As qualified by paragraph (5), in the case of stallion awards,
10 all nonclaiming races and certain claiming races, if the
11 nonclaiming races and the certain claiming races are conducted in
12 this state during racing meetings where more than one-half of the
13 races on every racing program are for thoroughbreds, ~~and~~ all
14 graded stakes races conducted within the United States, *and other*
15 *stakes races as designated by the official registering agency.*

16 (4) “Certain claiming races” means those claiming races in the
17 central and southern zone in which the total purse exceeds the daily
18 average purse in races, excluding stakes, distributed at that
19 meeting during the prior year, or a claiming race in the northern
20 zone in which the total purse exceeds 125 percent of the daily
21 average purse in races, excluding stakes, distributed at that
22 meeting during the prior year.

23 (5) No owner premium or stallion award shall be paid on races
24 with purses of less than fifteen thousand dollars (\$15,000). In
25 determining whether a race complies with the definition in
26 paragraph (4), the official registering agency shall base its
27 determination on the actual amount of the purse at the time the race
28 was conducted and shall not take into consideration any postrace
29 adjustments to that purse.

30 (c) “Eligible earnings” means the following:

31 (1) In the case of breeder awards, the annual amount earned by
32 a California-bred thoroughbred for finishing first, second, or third
33 in qualifying races.

34 (2) In the case of owner premiums, the annual amount earned
35 by a California-bred thoroughbred for winning qualifying races.

36 (3) In order for earnings from a qualifying race to be considered
37 as eligible earnings, a California-bred thoroughbred shall be
38 registered as such with the official registering agency before the
39 date entries were taken by the association for the qualifying race
40 in which that horse earned purse money.

(4) In the case of stallion awards, the annual amount earned by California-conceived or California-bred foals of an eligible thoroughbred stallion in winning qualifying races plus the amount earned by those foals for finishing second or third in a stakes race in this state ~~and~~, for finishing first, second, or third in a graded stakes race within the United States, *and for finishing first, second, or third in other stakes races as designated by the official registering agency.*

(5) For purposes of this section, the maximum purse considered earned in any qualifying race within this state shall be three hundred thirty thousand dollars (\$330,000) for a win, one hundred twenty thousand dollars (\$120,000) for a second, and ninety thousand dollars (\$90,000) for a third place finish and the maximum purse considered earned in any qualifying race outside of this state shall be one hundred sixty-five thousand dollars (\$165,000) for a win, sixty thousand dollars (\$60,000) for a second, and forty-five thousand dollars (\$45,000) for a third place finish.

(6) In determining the purse earned in any qualifying race that is a stakes race, the amount earned shall be based solely on the added money, with no consideration to be given to other sources of the purse, such as nomination, entry, or starting fees, bonuses, and sponsor contributions, or any combination thereof.

(7) On or before February 15 of any year, it is the ultimate responsibility of the stallion owner to advise the official registering agency of any and all purses earned during the preceding year that shall be considered in determining the amount of the stallion award to which the owner is entitled.

(8) On or before February 15 of any year, it is the ultimate responsibility of the breeder to advise the official registering agency of any and all purses earned during the preceding year in graded stakes races outside of this state by horses bred by breeder.

(d) “Eligible thoroughbred stallion” means a thoroughbred stallion that was continuously present in this state from February 1 to June 15, inclusive, of the calendar year in which the qualifying race was conducted, and if the sire left this state after June 15 of the calendar year in which the qualifying race was conducted, the sire returned to and was present in this state by February 1 of the following calendar year and thereafter remained until June 15 of that year. If a sire dies in this state and stood his last season at stud

1 in this state, he shall thereafter continue to be considered an
2 eligible thoroughbred stallion.

3 (1) Notwithstanding any provision to the contrary, a
4 thoroughbred stallion shall be considered an eligible thoroughbred
5 stallion only if its owner has filed a claim for stallion award on or
6 before February 15 of the calendar year immediately following the
7 calendar year for which the awards are being distributed and is
8 registered with the official registering agency.

9 (2) The official registering agency shall establish procedures
10 for the registration of stallions and may charge a fee for that
11 registration.

12 (e) "Official registering agency" means the California
13 Thoroughbred Breeders Association.

14 (f) "Owner" means the person who is registered with the
15 paymaster of purses on the date the qualifying race was conducted
16 as the owner of the California-bred thoroughbred earning purse
17 money in that race.

18 (g) "Quotient," for any fund, means the amount allocated to
19 that fund pursuant to subdivision (b) of Section 19617.2 divided
20 by the aggregate eligible earnings of the horses applicable to that
21 fund. In calculating the quotient for each of the funds, any
22 retroactive purse payments with respect to a race shall not be
23 considered after the disbursement of the fund.

24 (h) "Stallion owner" means the person who is the owner of the
25 eligible thoroughbred stallion as of December 31 of the calendar
26 year in which that sire's foals had eligible earnings or the person
27 who owned the eligible thoroughbred sire on the date that the
28 stallion died.

